

Message Text

CONFIDENTIAL

PAGE 01 DACCA 00420 01 OF 03 230518Z

12

ACTION NEA-09

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 SP-02 L-01

INR-05 CIAE-00 DODE-00 EB-03 IO-03 RSC-01 /047 W

----- 003436

R 221020Z JAN 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5541

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

C O N F I D E N T I A L SECTION 1 OF 3 DACCA 0420

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, PINT, BG

SUBJ: BANGLADESH: QUARTERLY REVIEW

INTRODUCTION/SUMMARY: THE DECLARATION ON DECEMBER 28 OF A STATE OF EMERGENCY ENDED THE FOURTH QUARTER ON A MIXED NOTE WHICH DID MUCH TO SUM UP 1974. ARRIVALS OF FOODGRAINS FROM ABROAD EASED THE SEVERE FOOD SHORTAGES WITH WHICH THE QUARTER BEGAN, AND PLEDGES GAVE HOPE OF AN EASIER SITUATION IN 1975. THE WOOING OF THE ARABS BEGAN TO SHOW RESULTS, WITH \$140 MILLION IN ASSISTANCE PLEDGED DURING THE QUARTER. MOREOVER, THE MEETING OF ASSISTANCE DONORS IN PARIS IN OCTOBER MAY HAVE LED BANGLADESH TO CONSIDER ITS DEVELOPMENTAL NEEDS MORE REALISTICALLY. NEVERTHELESS, THE QUARTER, LIKE THE YEAR, SAW A FURTHER EROSION OF SUPPORT FOR AUTHORITY OF THE BANGLADESH GOVERNMENT (BDG). PRICES FOR NECESSITIES CONTINUED TO RISE. INTERNAL SECURITY CONDITIONS WORSENE. RESPONSES TO PROBLEMS CONTINUED TO BE LARGELY AD HOC IN CHARACTER, AND WERE GREETED BY THE PUBLIC WITH SKEPTICISM. THE OPPOSITION FOUND NO WAY TO CAPITALIZE ON THE BDG'S TROUBLES BUT THIS FAILURE REFLECTED ITS FRAGMENTATION. MUCH OF THE BDG'S DIFFICULTIES STEMS FROM PROBLEMS--SUCH AS THIS YEAR'S FLOODS AND RESULTING DISLOCATIONS--OVER WHICH IT HAS NO CONTROL. HOWEVER, ITS FALTERING EFFORTS TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DACCA 00420 01 OF 03 230518Z

MEET ITS PEOPLE'S NEEDS CONTINUED TO BE COSTLY. THE MISSING IN-

GRADIENT HAS BEEN WILL, AND THE GRADUAL ACCRETION OF POWERS BY THE BDG THROUGHOUT ALMOST ALL OF 1974 WAS LARGELY UNAVAILING IN THE ABSENCE OF DETERMINATION TO USE THOSE POWERS FIRMLY AND DECISIVELY. THE STATE OF EMERGENCY IS VIEWED BY MANY AS JUST ANOTHER ATTEMPT TO BE SEEN TO BE DOING SOMETHING. HOWEVER, IT IS ALSO POSSIBLE THAT THE BDG MAY AT LAST BE PREPARED TO ACT DECISIVELY, AND ITS ANTISMUGGLING AND RICE PROCUREMENT PROGRAMS, ADOPTED IN RESPONSE TO ASSISTANCE DONOR URGING, WERE PERHAPS THE EARLIEST INDICATORS. THE CONCERN IS THAT IN ACTING IN A FIRM FASHION, PRIMIN SHEIKH MUJIBUR RAHMAN MAY ALSO MOVE TOWARDS GREATER AUTHORITARIANISM. END INTRODUCTION/SUMMARY.

1. WHEN LAID AGAINST THE PRECEDING QUARTER OF 1974, THE LAST THREE MONTHS OF THE YEAR SEEMED ALMOST BRIGHT, AT LEAST IN ECONOMIC TERMS. GRANTED, THE PERIOD BEGAN WITH BANGLADESH IN SERIOUS STRAITS. THE JULY-AUGUST FLOODING HAD CAUSED LOSSES OF FOODGRAINS AND SERIOUSLY DISRUPTED MOVEMENT WITHIN THE COUNTRY. MOREOVER, DELIVERIES OF FOODGRAINS FROM ABROAD VIRTUALLY CEASED IN SEPTEMBER AND DURING MUCH OF OCTOBER. AS A RESULT, THE RATION SHOP SYSTEM, ESTABLISHED LARGELY TO INSURE URBAN POLITICAL TRANQUILITY, WAS PLACED UNDER ADDED STRAINS AS ITS REDUCED INPUTS WERE USED TO FEED THE FAMINE-STRICKEN POOR AT "GRUEL KITCHENS" SCATTERED THROUGHOUT THE COUNTRY. (NEARLY 30,000 DIED OF STARVATION.) IN MID-QUARTER, HOWEVER, A GOOD AMAN CROP BEGAN TO BE HARVESTED AND THERE WERE SIZABLE ARRIVALS OF FOODGRAINS (194,000 TONS IN NOVEMBER AND 241,000 TONS IN DECEMBER) FROM EEC COUNTRIES, AUSTRALIA, AND THE U.S. MOREOVER, DURING THE QUARTER, THE U.S. AND CANADA PLEDGED TO PROVIDE AN ADDITIONAL 350,000 TONS OF FOODGRAINS FOR DELIVERY DURING THE FIRST HALF OF 1975, A DEVELOPMENT WITH IMPORTANT PSYCHOLOGICAL EFFECT.

2. THERE WERE OTHER DIPLOMATIC "TRIUMPHS" WHICH GAVE FURTHER COMFORT TO SHEIKH MUJIB AND THE BDG DURING THE LAST THREE MONTHS. AS THE QUARTER OPENED, THE PRIMIN WAS IN WASHINGTON WHERE HE TALKED TO PRESIDENT FORD AND AT THE END OF OCTOBER SECRETARY KISSINGER VISITED DACCA; BOTH OF THESE EVENTS WERE SEEN BY BENGALLEES AS AMERICAN RECOGNITION OF BANGLADESH'S IMPORTANCE. SHEIKH MUJIB ALSO TRAVELED THRICE TO THE MIDDLE EAST, WOOING ARAB NATIONS ENERGETICALLY. RETURNING FROM THE U.S., HE STOPPED IN BAGHDAD. IN NOVEMBER HE VISITED CAIRO AND KUWAIT, IN DECEMBER ABU DHABI. THESE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DACCA 00420 01 OF 03 230518Z

EFFORTS PAID OFF. IN THE QUARTER, BANGLADESH RECEIVED PLEDGES OF ASSISTANCE FROM ARABS TOTALING APPROXIMATELY \$140 MILLION, LARGELY FROM IRAQ (\$50 MILLION) AND ABU DHABI (\$70 MILLION). THIS BROUGHT ARAB COMMITMENTS TO DATE TO ROUGHLY \$180 MILLION, OF WHICH \$130 MILLION IS QUICK-DISBURSING BALANCE-OF-PAYMENTS SUPPORT LOANS AND FLOOD RELIEF GRANTS, IN ADDITION, ABU DHABI APPARENTLY AGREED TO SELL CRUDE OIL TO BANGLADESH ON CREDIT.

3. THERE WERE ALSO FURTHER INDICATORS THAT THE BDG WAS BEGINNING TO REALIZE INCREASINGLY THE NEED TO BRING GREATER ENERGY AND DIRECTION INTO ITS ECONOMIC ACTIVITIES IF IT HOPED TO CONTINUE TO ELICIT NEEDED ASSISTANCE FOR DEVELOPMENTAL PROGRAMS. THE FIRST MEETING OF THE BANGLADESH AID GROUP (BAG) COMPRISING 26 NATIONS AND INTERNATIONAL INSTITUTIONS, HELD IN PARIS ON OCTOBER 24-25, GAVE ADDED IMPETUS TO THE PROCESS. THERE WAS ALMOST COMPLETE AGREEMENT AMONG DONORS WITH THE VIEW OF THE IBRD THAT CURRENT BDG DEVELOPMENT PLANS HELD NO PROMISE FOR SUSTAINED GROWTH. THUS, THEY URGED THE BDG TO ADOPT NEW ECONOMIC POLICIES ALONG LINES RECOMMENDED BY THE IBRD WHICH EMPHASIZE (I) POPULATION CONTROL, (II) AGRICULTURAL DEVELOPMENT, AND (III) PRICE RATIONALIZATION. MOREOVER, MANY DONORS ENDORSED THE IMF VIEW FAVORING DEVALUATION AND SEVERAL SUGGESTED THAT THE LEVEL OF THEIR FUTURE ASSISTANCE WOULD BE DECIDED IN THE LIGHT OF BANGLADESH'S ECONOMIC PERFORMANCE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 DACCA 00420 02 OF 03 230509Z

12

ACTION NEA-09

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 SP-02 L-01

INR-05 CIAE-00 DODE-00 EA-03 IO-03 RSC-01 /047 W

----- 003247

R 221020Z JAN 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5542

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

C O N F I D E N T I A L SECTION 2 OF 3 DACCA 0420

LIMDIS

4. BY THE END OF THE QUARTER, THE BDG HAD TAKEN TWO DISTINCT STEPS IN LINE WITH THE VIEWS EXPRESSED AT PARIS. FIRST, THE BDG LAUNCHED A NEW ANTISMUGGLING DRIVE INTENDED TO HALT THE FLOW OF RICE TO INDIA AND ALSO BEGAN A PROGRAM OF RICE PROCUREMENT WHICH SEEMED TO OFFER CULTIVATORS A MORE REALISTIC PRICE FOR THEIR RICE AND PADDY. SECOND, THE BDG AGREED (BELATEDLY AND ONLY AFTER A FURTHER IBRD APPEAL) TO RESUME DISCUSSIONS WITH THE IMF OVER THE CONDI-

TIONS TO GOVERN BANGLADESH'S DRAWING OF SECOND AND THIRD TRANCHES (TOTALING \$70 MILLION); THESE DISCUSSIONS, IN ABEYANCE SINCE AUGUST, HAD CENTERED ON DEVALUATION. THESE DEVELOPMENTS SUGGESTED THAT THE BDG HAD BEGUN TO RECOGNIZE IT MUST MOVE AWAY FROM AD HOC, SHORT-TERM APPROACHES TO ITS PROBLEMS, A PROPENSITY WHICH ITS NEED TO DEAL WITH THE JULY-AUGUST FLOODS HAD ONCE AGAIN STIMULATED. HOWEVER, THE CLEAREST INDICATOR THAT THE BDG INTENDS A REVAMPED AND MORE COHERENT ECONOMIC DEVELOPMENT EFFORT IS STILL AWAITED.

5. WHETHER THE BDG WILL BE ABLE TO DEAL WITH ITS ECONOMIC PROBLEMS ON A LONG-TERM AND PRAGMATIC BASIS OBVIOUSLY REMAINS TO BE SEEN. NEVERTHELESS, POLITICAL DEVELOPMENTS IN THE FINAL QUARTER OF 1974 SUGGEST THAT IT MAY BE LAYING THE GROUND FOR SUCH A MOVE. PRIOR TO THE DECLARATION OF THE STATE OF EMERGENCY, THE TWO MOST SIGNIFICANT DOMESTIC POLITICAL EVENTS WERE (I) THE OUSTING OF FINANCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DACCA 00420 02 OF 03 230509Z

MINISTER TAJUDDIN AHMED AND (II) THE LARGELY SUCCESSFUL HARTAL CALLED BY THE OPPOSITION JATIYO SAMAJTANTRIK DAL (JSD) ON NOVEMBER 26. THE OUSTER OF TAJUDDIN HAD MUCH TO DO WITH THE FORMER FINANCE MINISTER'S EFFORTS TO PROJECT HIMSELF AS AN ALTERNATIVE TO SHEIKH MUJIB'S LEADERSHIP OF THE RULING AWAMI LEAGUE. TAJUDDIN WAS INCREASINGLY CRITICAL OF THE BDG'S FALTERING ECONOMIC POLICIES, AND RATHER OPENLY SUGGESTED THAT A STIFFER DOSE OF SOCIALISM WOULD OFFER A MORE EFFECTIVE CURE FOR BANGLADESH'S ILLS. HIS FORCED RESIGNATION ON OCTOBER 26, JUST AFTER THE MEETING IN PARIS AND JUST BEFORE THE ARRIVAL OF SECRETARY KISSINGER, WAS READ PARTLY AS A SHIFT IN ECONOMIC APPROACH. IT WAS, HOWEVER, AS MUCH THE FRUIT OF INTRA-AWAMI LEAGUE RIVALRY AS ANYTHING ELSE. NEVERTHELESS, IT PLACED RESPONSIBILITY FOR THE FINANCE PORTFOLIO IN THE HANDS OF THE PRIMIN, WHERE IT REMAINS TO DATE. THE PRIMIN IS NOT EXPECTED TO RELINQUISH THE FINANCE PORTFOLIO UNTIL A RESTRUCTURING OF THE CABINET, OR POSSIBLY EVEN THE FORM OF GOVERNMENT, OCCURS. EITHER OF THESE COULD CARRY THE BDG FARTHER TOWARD MORE REALISTIC PROGRAMS AND MORE EFFECTIVE PRACTICES.

6. THE NOVEMBER 26 HARTAL SPONSORED BY THE JSD IS THOUGHT TO HAVE BEEN SHARP REMINDER TO THE BDG OF THE DEPTH OF PUBLIC DISSATISFACTION WITH ITS RULE. THE HARTAL WAS WELL-OBSERVED IN DACCA AND ELSEWHERE, AND THE EXTENT OF SUPPORT OFFERED UNMISTAKABLE EVIDENCE OF THE PUBLIC MOOD RATHER THAN OF BACKING FOR THE OPPOSITION. INsofar AS THE OPPOSITION IS CONCERNED, IT SPENT MUCH OF THE QUARTER LOOKING FOR COMMON GROUND TO COMBINE AGAINST THE AWAMI LEAGUE. CAUGHT IN THE RIGIDITIES OF IDEOLOGIES AND THE INTERPLAY OF PERSONAL RIVALRIES, IT ACHIEVED NOTHING OF SIGNIFICANCE. A NEW "PARTY," THE UNITED PEOPLES PARTY, WAS FORMED, LARGELY THE FACTIONS OF OTHER PARTIES WHICH WERE IN PROCESS OF FRAGMENTATION. THE JSD WAS IN FITFUL CONTACT WITH THE AWAMI LEAGUE, WITH ERSTWHILE AWAMI LEAGUERS IN THE JSD PERHAPS INTERESTED IN SOME FORM OF ASSOCIATION, BUT NOTHING CAME OF THIS.

7. IF THE HARTAL DRAMATICALLY DEMONSTRATED THE PUBLIC MOOD, THERE WERE OTHER SIGNS OF THE AWAMI LEAGUE'S WEAKENING HAND. INTERNAL SECURITY CONTINUED TO DETERIORATE. LOCAL LEADERS OF THE RULING PARTY CONTINUED TO DIE VIOLENTLY AT A RATE OF ROUGHLY TWO OR THREE A WEEK; THE DEATH OF AN MP ON EID-UL-AZHA WAS ONLY THE MOST NOTE-WORTHY POLITICAL MURDER. INSTANCES OF DACOITY SEEMED TO BE RISING, PERHAPS REFLECTING THE EFFECT OF GROWING POVERTY BUT MORE CER-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DACCA 00420 02 OF 03 230509Z

TAINLY RESULTING FROM THE EROSION OF THE BDG AUTHORITY. TERRORIST ACTIVITY, MUCH OF IT IDENTIFIED WITH SERAJ SIKDAR'S PURBO BANGLA SARBAHARA PARTY, ALSO GREW. SOME OBSERVERS ASSERTED THAT THE INTERNAL SECURITY SITUATION WAS WORSE THAN THAT OBTAINING JUST AFTER LIBERATION. IT WAS, PERHAPS, INEVITABLE THAT THE REPORTS OF COUP PLANNING BY THE MILITARY GAINED GREATER BUT STILL ONLY LIMITED CURRENCY.

8. AS THE QUARTER DREW TO AN END, IT SEEMED THAT WHILE THE BDG HAD FINALLY DETERMINED ON SOME OF THE COURSES OF ACTION NEEDED TO PUT ITS HOUSE IN ORDER, ITS DECLINING POPULAR SUPPORT AND THE WORSENING LAW AND ORDER SITUATION WERE COMBINING TO MAKE NEW DEPARTURES MORE DIFFICULT. THE PRIMIN CONTINUED TO LAY THE BLAME FOR THE COUNTRY'S ILLS ON THE CRUELTY OF NATURE, THE NEGLECT AND MALEVOLENCE OF THE PAKISTANIS, WORLDWIDE INFLATION, SMUGGLERS AND BLACK MARKETEERS. THERE WAS, NOT SURPRISINGLY, NO ACKNOWLEDGMENT THAT AWAMI LEAGUE MEMBERS, BY THEIR ACTS OF COMMISSION AND OMISSION, WERE IN LARGE MEASURE RESPONSIBLE. SOME WITHIN THE PARTY, LIKE THE OUSTED TAJUDDIN AND AWAMI JUBO LEAGUE HEAD SHEIKH FAZLUL HUQ MONI (THE PRIMIN'S NEPHEW), URGED THE NECESSITY FOR A HOUSECLEANING, BUT SUCH CRITICISM WAS RARE. NEVERTHELESS, THE NEED FOR MORE DECISIVE ACTION APPARENTLY WAS UNDERSTOOD. WHEN THE JATIYO SANGSAD MET BRIEFLY IN MID-NOVEMBER, THE BDG WAS GIVEN ADDED POWERS TO CONTROL THE PRESS. THIS LEGISLATION SERVED, HOWEVER, TO PREFIGURE THE EXTENSIVE RULES WHICH WOULD BE ISSUED ON JANUARY 4 UNDER THE DECEMBER 28 STATE OF EMERGENCY.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 DACCA 00420 03 OF 03 230451Z

ACTION NEA-09

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 SP-02 L-01

INR-05 CIAE-00 DODE-00 EB-03 IO-03 RSC-01 /047 W

----- 003100

R 221020Z JAN 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5543

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

C O N F I D E N T I A L SECTION 3 OF 3 DACCA 0420

LIMDIS

9. THE STATED PURPOSE OF THE STATE OF EMERGENCY WAS TO ENABLE THE BDG TO DEAL FAR MORE EFFECTIVELY WITH ITS INTERNAL SECURITY PROBLEMS AND WITH SMUGGLING, HOARDING, BLACK MARKETEERING AND OTHER ECONOMIC CRIMES. LIMITED TO THESE PURPOSES, IT MIGHT BE SEEN AS THE FIRMEST EVIDENCE YET THAT THE BDG IS ADDRESSING TWO OF ITS MOST PRESSING DOMESTIC PROBLEMS WITH DETERMINATION AND WILL. THE DEATH OF SERAJ SIKDAR ON JANUARY 2 OFFERED AN EXCELLENT OPPORTUNITY FOR THE BDG TO ASSERT THAT IT IS NOW MOVING DECISIVELY TO INSURE INTERNAL SECURITY. HOWEVER, THERE IS SUBSTANTIAL SPECULATION THAT THE STATE OF EMERGENCY IS SIMPLY A PRELUDE TO SOME FORM OF MORE AUTHORITARIAN FORM OF GOVERNMENT. PRIOR TO THE EMERGENCY THE BDG POSSESSED A WIDE RANGE OF POWERS UNDER LAW AND ORDINANCE WHICH, IF USED, WOULD PERMIT THE SAME ACTIONS TO SAFEGUARD INTERNAL SECURITY AND THE ECONOMY AS HAVE BEEN SPECIFIED UNDER THE EMERGENCY. HOWEVER, UNDER THE EMERGENCY, THE PRESS IS FURTHER CONTROLLED, INDIVIDUAL LIBERTIES INCLUDING DUE PROCESS CURTAILED AND POLITICAL ACTIVITY MADE SUBJECT TO BDG APPROVAL.

10. IN THIS SETTING, WHILE EFFORTS TO STRENGTHEN THE COUNTRY'S ECONOMY MAY BE GIVEN SOME MEASURE OF VIGOR AND DIRECTION, THE COMMITMENT TO PARLIAMENTARY DEMOCRACY MAY BE DECLINING. THIS TREND WILL PROBABLY CONTINUE. THERE IS LITTLE OF THE GOOD NEWS AHEAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DACCA 00420 03 OF 03 230451Z

THAT MIGHT EASE THE TASK OF RULING FOR SHEIKH MUJIB. IN THE FOREIGN AFFAIRS FIELD THERE IS SMALL FURTHER SCOPE FOR THE KIND OF "TRIUMPHS" WHICH MARKED 1974. MOVEMENT TOWARD THE RESOLUTION OF PROBLEMS WITH PAKISTAN--THE DIVISION OF ASSETS AND REPATRIATION OF NON-BENGALEES--IS HALTED, AND THERE IS NO INDICATION WHEN FORWARD MOTION WILL RESUME. AND AS LONG AS RELATIONS WITH PAKISTAN REMAIN IN LIMBO, BANGLADESH'S HOPES FOR RECOGNITION BY CHINA AND ASSISTANCE FROM SAUDI ARABIA SEEM REMOTE. IN ADDITION, RELATIONS

WITH INDIA ARE EXPECTED TO EVIDENCE GREATER STRAINS. WITH OIL AT STAKE, THE DELINEATION OF THE MARITIME BOUNDARY BETWEEN INDIA AND BANGLADESH IS A MATTER OF KEY IMPORTANCE, AND THE FARAKKA BARRAGE ISSUE IS YET TO BE SETTLED.

11. IF THE CONDUCT OF FOREIGN AFFAIRS OFFERS SMALL SCOPE FOR GOOD NEWS, THE STATE OF THE ECONOMY OFFERS EVEN LESS. NO SIGNIFICANT GROWTH IN REAL GROSS DOMESTIC PRODUCT IS ANTICIPATED IN 1974/75. RICE PRODUCTION IN 1974/75 IS EXPECTED TO FALL AS MUCH AS 700,000 TONS BELOW THE 1973/74 BUMPER CROP AS A RESULT OF THE JULY-AUGUST FLOODING AND SHORTAGES OF FERTILIZER AND SEED. INDUSTRIAL PRODUCTION HAS BEEN HELD TO LESS THAN PREINDEPENDENCE LEVELS BY SHORTAGES OF IMPORTED RAW MATERIALS AND SPARE PARTS IN FACE OF FOREIGN EXCHANGE STRINGENCIES. WITH AGRICULTURAL AND INDUSTRIAL PRODUCTION SO CONSTRAINED, AND POPULATION GROWTH UNCHECKED AT THREE PERCENT PER YEAR, PER CAPITA INCOME IS EXPECTED TO FALL. MOREOVER, DOMESTIC PRICES ROSE AN ESTIMATED 60 PERCENT IN 1974, WITH LITTLE REASON TO THINK INFLATION CAN BE MATERIALLY REDUCED SOON. COMMODITY PRICE RISES ARE EXPECTED TO PERMIT EXPORTS TO REACH THE PLANNED 1974/75 TARGET OF \$410 MILLION AS AGAINST ACTUAL RECEIPTS OF \$318 MILLION IN 1973/74. HOWEVER, PHYSICAL QUANTITIES ARE DOWN, AND JUTE EXPORTS--WHICH ACCOUNT FOR 80 PERCENT OF EXPORT EARNINGS--ARE THREATENED BY THE RISING PRICE DIFFERENTIAL WITH RICE NOW MORE PROFITABLE TO GROW. INsofar AS DEVELOPMENT EFFORTS ARE CONCERNED, WORLDWIDE PRICE RISES FOR OIL, FERTILIZER AND MACHINERY, DOMESTIC REVENUE SHORTFALLS, AND INFLATION HAVE REDUCED BDG BUDGET RECEIPTS FROM PLANNED LEVELS AND HAVE INCREASED EXPENDITURES ON NON-PLAN ACTIVITIES. AS A CONSEQUENCE, THE FIRST FIVE-YEAR PLAN AND THE 1974/75 ANNUAL DEVELOPMENT PLAN ARE BOTH ADMITTEDLY DEAD LETTERS AND THE BDG IS REVISING THEM.

12. AS THE FOURTH QUARTER OF 1974 ENDED, THE COMPETENCE AND DEDICATION OF THE AWAMI LEAGUE WAS MORE THAN EVER SUBJECT TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DACCA 00420 03 OF 03 230451Z

QUESTION. THE BDG'S EFFORTS TO CONTROL SMUGGLING AND INCREASE PROCUREMENT OF RICE SUGGEST A NEW DECISIVENESS, AND THE EMERGENCY HAS GIVEN THE GOVERNMENT EVEN GREATER POWERS TO MAKE THESE EFFORTS EFFECTIVE. HOWEVER, WHETHER THE BDG HAS THE POLITICAL WILL REMAINS TO BE SEEN. THE OUTCOME OF THE ANTISMUGGLING CAMPAIGN AND RICE PROCUREMENT PROGRAM WILL BE KNOWN ONLY IN MARCH. BY THAT TIME, BANGLADESH WILL BE APPROACHING ITS NEXT "LEAN PERIOD" AS IT AWAITS THE AUS CROP, AND PUBLIC APPREHENSION MAY WELL BE HIGH AGAIN. MOREOVER, SOME OF THE RUMORS OF COUP PLOTTING INDICATE THAT MARCH IS SEEN TO BE THE MOST PROPITIOUS TIME FOR ACTION. THERE SEEMS NO HOPE OF A RESPITE FROM THE COUNTRY'S PROBLEMS FOR THE BDG, AND A LARGER DOSE OF AUTHORITARIANISM MUST LOOK VERY TEMPTING TO BANGOBANDHU.
CHESLAW

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, FOOD SHORTAGE, QUARTERLY REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JAN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchantr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975DACCA00420
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750025-0098
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750131/aaaabben.tel
Line Count: 384
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchantr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 13 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2003 by BoyleJA>; APPROVED <30 SEP 2003 by buchantr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANGLADESH: QUARTERLY REVIEW INTRODUCTION/SUMMARY: THE DECLARATION ON DECEMBER 28 OF A STATE
TAGS: PFOR, PINT, BG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006